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FEDERAL ELECTION COMMISSION
FIRST GENERAL COUNSEL'S REPORT

MUR: 7451
DATE COMPLAINT FILED: Aug. 1, 2018
DATE OF NOTIFICATION: Aug. 6, 2018
DATE OF LAST RESPONSE:
Sept. 28, 2018
DATE ACTIVATED: Jan. 19, 2019

EXPIRATION OF SOL: Apr. 23, 2023
ELECTION CYCLE: 2018

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COMPLAINANT:

Brendan M. Fischer
Campaign Legal Center

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RESPONDENTS:

Ring Power Corporation
New Republican PAC and Julie Dozier
in her official capacity as treasurer

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**RELEVANT STATUTES
AND REGULATIONS:**

52 U.S.C. § 30119
11 C.F.R. § 115.1
11 C.F.R. § 115.2

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27

INTERNAL REPORTS CHECKED:

Disclosure Reports

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29

FEDERAL AGENCIES CHECKED:

None

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I. INTRODUCTION

32 The Complaint alleges that Ring Power Corporation (“Ring Power”), a federal
33 government contractor, made a \$50,000 contribution to New Republican PAC and Julie Dozier
34 in her official capacity as treasurer (the “Committee”), an independent-expenditure-only political
35 committee (“IEOPC”), in violation of the Federal Election Campaign Act of 1971, as amended
36 (the “Act”).¹
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¹ Compl. at 1, 4 (Aug. 1, 2018).

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1 Ring Power acknowledges that it is a government contractor and that it made the
2 contribution.² Ring Power asserts, however, that based on a representation from the Committee,
3 it understood that the contribution was legally permissible.³ Ring Power states that when it
4 learned its contribution was prohibited under the Act, it requested and received a refund for the
5 contribution.⁴ The Committee responds that the Complaint makes no allegation that it violated
6 the Act, and further avows that it did not “knowingly solicit or knowingly accept a contribution
7 from a federal contractor.”⁵ The Committee states that after “conferring with Ring Power,” it
8 refunded the contribution.⁶

9 The available record indicates that Ring Power was a federal contractor at the time of its
10 contribution to the Committee. Accordingly, we recommend that the Commission find reason to
11 believe that Ring Power violated 52 U.S.C. § 30119(a)(1) by making a prohibited contribution to
12 the Committee. We further recommend that the Commission take no action at this time as to the
13 Committee. Finally, we recommend that the Commission authorize pre-probable cause
14 conciliation with Ring Power.

2 Ring Power Resp. at 1 (Aug. 23, 2018).

3 *Id.*

4 *Id.*

5 Committee Resp. at 1 (Sept. 28, 2018).

6 Committee Resp. at 2.

1 **II. FACTUAL BACKGROUND**

2 Ring Power is a private Florida corporation that sells and leases industrial machinery.⁷
3 Ring Power is also a federal government contractor, and has been the recipient of well over 300
4 contracts and grants since 2007.⁸ The Committee is an IEOPC that raised over \$34 million
5 during the 2018 election cycle, and made over \$31 million in expenditures that opposed and
6 supported federal candidates.⁹

7 The Complaint alleges that Ring Power violated the Act's prohibition on contributions
8 made to political committees from federal government contractors when it made a \$50,000
9 contribution to the Committee on April 23, 2018.¹⁰ The Complaint also states that it is illegal for
10 a Committee to knowingly solicit contributions from federal government contractors.¹¹

11 Ring Power confirms that it was a federal government contractor at all relevant times, but
12 states that funds received for federal contracts were only a small portion of its revenue during the

⁷ Ring Power Corporation <https://www.ringpower.com/>. See also Florida Division of Corporations <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=RINGPOWER%202493800&aggregateId=domp-249380-ef0b76a4-50c9-4143-8130-e4be6e38acd7&searchTerm=ring%20power&listNameOrder=RINGPOWER%202493800>.

⁸ See USA Spending.gov, Recipient Search, Ring Power Corporation, <https://www.usaspending.gov/#/search/c6c7f35a50d7080d1ac923922b6e0f5e>.

⁹ See New Republican, *Statement of Organization*, FEC Form 1 (Apr. 5, 2018). The Committee website is no longer active. Portions of the website are available at <https://web.archive.org/web/20180430015504/https://newrepublican.org/>. The Committee has a Twitter account at https://twitter.com/nr_florida?lang=en, and a Facebook page at <https://www.facebook.com/newrepublican.org/>. See also New Republican PAC, FEC Financial Summary, reports of receipts and disbursements, <https://www.fec.gov/data/committee/C00544544/?tab=summary#total-raised>; and <https://www.fec.gov/data/committee/C00544544/?tab=spending>. The Committee made \$30 million in expenditures that opposed the re-election of Florida U.S. Senator Bill Nelson; almost \$1 million in expenditures that opposed the election of Katherine Porter, candidate for California's 45th Congressional District; and \$200 in expenditures that supported Florida Gov. Rick Scott.

¹⁰ Compl. at 4 (Aug. 1, 2018). See also New Republican PAC, *July Quarterly Report of Receipts and Disbursements* (Jul. 15, 2018) at 31, <http://docquery.fec.gov/pdf/860/201807159115526860/201807159115526860.pdf>.

¹¹ Compl. at 3. The Complaint does not allege that the Committee knowingly solicited this contribution.

1 time in question.¹² Further, Ring Power maintains that at the time of the contribution, it was
2 unaware that it was prohibited by the Act, and states that it “understood from PAC
3 representatives that the contribution was legally permissible.”¹³ Ring Power asserts that it did
4 not make the contribution to secure additional government contracts, and states that when it
5 learned the contribution was prohibited under the Act, it requested and received a refund from
6 the Committee.¹⁴ Ring Power also states that it has taken steps to ensure that it makes no
7 contributions to any federal political campaign or committee while it performs federal contracts,
8 and requests pre-probable cause conciliation.¹⁵

9 The Committee asserts that the Complaint does not contend, nor is there evidence to
10 suggest, that it “knowingly solicited” any contribution from a federal contractor.¹⁶ Further, the
11 Committee avers that at the time the contribution was made, it had no information to suggest that
12 Ring Power was a federal government contractor, and that its website donation page, as well as
13 its solicitation and donor reply forms, clearly state that contributions from federal contractors are
14 prohibited.¹⁷ Finally, the Committee states that after conferring with Ring Power

¹² Ring Power Resp. at 1.

¹³ *Id.* at 1-2. Ring Power also confirms the timing of their government contract, stating that the work under its federal government contract that was pending at the time was invoiced on May 1, 2018, for \$22,452.32.

¹⁴ *Id.* at 1; Attach. (copy of contribution refund check).

¹⁵ *Id.* at 2.

¹⁶ Committee Resp. at 1.

¹⁷ *Id.* at 2; Compl. Attach. (Blaise Hazelwood Aff.) (Blaise Hazelwood, Exec. Dir. Of the Committee, swears that: (1) the Committee complies with all of the Act's contribution prohibitions; (2) it does not knowingly solicit contributions from federal contractors, and (3) its contribution solicitations include disclaimer language indicated that contributions from federal contractors are prohibited.

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1 representatives, it refunded the contribution on August 16, 2018.¹⁸ The Committee requests that
2 the Commission find no reason to believe that the Committee violated the Act.¹⁹

3 III. LEGAL ANALYSIS

4 A "contribution" is defined as "any gift . . . of money or anything of value made by any
5 person for the purpose of influencing any election for Federal office."²⁰ Under the Act, a federal
6 contractor may not make contributions to political committees.²¹ Specifically, the Act prohibits
7 "any person . . . [w]ho enters into any contract with the United States . . . for the rendition of
8 personal services or furnishing any material, supplies, or equipment to the United States or any
9 department or agency thereof" from making a contribution "if payment for the performance of
10 such contract . . . is to be made in whole or in part from funds appropriated by the Congress."²²
11 These prohibitions begin to run at the beginning of negotiations or when proposal requests are
12 sent out, whichever occurs first, and end upon the completion of performance of the contract or
13 the termination of negotiations, whichever occurs last.²³ And these prohibitions apply to a
14 federal contractor who makes contributions to any political party, political committee, federal
15 candidate, or "any person for any political purpose or use."²⁴

¹⁸ *Id.* at 1.

¹⁹ *Id.* at 3. See also New Republican PAC, *October Quarterly Report of Receipts and Disbursements* (Oct. 15, 2018) at 65, <http://docquery.fec.gov/pdf/674/201810159125026674/201810159125026674.pdf#navpanes=0>.

²⁰ 52 U.S.C. § 30101(8)(A)(i).

²¹ 52 U.S.C. § 30119(a); 11 C.F.R. § 115.2.

²² 52 U.S.C. § 30119(a)(1); see also 11 C.F.R. part 115.

²³ 52 U.S.C. § 30119 (a)(1); 11 C.F.R. § 115.1(b).

²⁴ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2; see also MUR 7099 (Suffolk Construction Company) (Commission found reason to believe that federal government contractor made a prohibited contribution to an IEOPC).

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1 Ring Power acknowledges that it was a federal contractor when it made its contribution
2 to the Committee, but argues that its contract for \$22,452.32 at the time of the contribution
3 represents only a small percentage of its total revenue.²⁵ This fact, however, does not negate the
4 company's status as a federal contractor under the Act, or obviate the violation. Similarly, Ring
5 Power's remedial measures—obtaining a refund and other steps taken to ensure it would no
6 longer make prohibited contributions—do not excuse the violation.²⁶ Accordingly, we
7 recommend that the Commission find reason to believe that Ring Power violated 52 U.S.C.
8 § 30119(a)(1).

9 The Act also prohibits any person from knowingly soliciting any federal contractor
10 contribution.²⁷ The Complaint does not specifically allege that the Committee knowingly
11 solicited the Ring Power contribution, or provide any information that would indicate that the
12 Committee knew that Ring Power was a federal contractor.²⁸ The Committee denies that it
13 knowingly solicited contributions from a federal contractor, and it refunded the contribution
14 when it learned that Ring Power was a federal contractor.²⁹ Nevertheless, Ring Power's
15 response states that it "understood from PAC representatives that the contribution was legally
16 permissible." One possible interpretation of that statement is the Committee's representatives

²⁵ Ring Power Resp. at 2; *see also supra* n. 6.

²⁶ *See* New Republican PAC, October Quarterly *Report of Receipts and Disbursements* (Oct. 15, 2018) at 65, <http://docquery.fec.gov/pdf/860/201807159115526860/201807159115526860.pdf> (disbursement to Ring Power Corporation for "contribution refund").

²⁷ *See* 52 U.S.C. § 30119(a)(2); *see also* 11 C.F.R. § 115.2(c).

²⁸ *See* Compl.

²⁹ Committee Resp. at 1.

1 told Ring Power it could make the contribution despite its federal contractor status.³⁰ It is
2 possible that Ring Power's response to the reason-to-believe finding or discussions during
3 conciliation could provide more information regarding the representation allegedly made by the
4 Committee. Accordingly, we recommend that the Commission take no action at this time with
5 respect to the Committee.

6 **IV. CONCILIATION**

7 We recommend that the Commission enter into pre-probable cause conciliation with Ring
8 Power regarding its violation of 52 U.S.C. § 30119(a)(1).
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12 **V. RECOMMENDATIONS**

- 13 1. Find reason to believe that Ring Power Corporation violated 52 U.S.C.
14 § 30119(a)(1);
15
16 2. Take no action at this time with respect to New Republican PAC and Julie Dozer
17 in her official capacity as treasurer;

³⁰ Ring Power Resp. at 1. It is also possible that the Committee was unaware that Ring Power was a government contractor when it purportedly advised Ring Power it could make the contribution.

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- 3. Authorize pre-probable cause conciliation with Ring Power Corporation;
- 4. Approve the attached Factual and Legal Analysis;
- 5. Approve the attached Conciliation Agreement; and
- 6. Approve the appropriate letter.

Lisa J. Stevenson
Acting General Counsel

Charles Kitcher
Acting Associate General Counsel

Date: 4.8.19

Stephen Gura
Stephen Gura
Deputy Associate General Counsel

Mark Shonkwiler
Mark Shonkwiler
Assistant General Counsel

Wanda D. Brown
Wanda D. Brown
Attorney

- Attachments:
- 1. Factual and Legal Analysis—Ring Power Corporation

1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 **RESPONDENTS:** Ring Power Corporation **MUR: 7451**
6 New Republican PAC and Julie Dozier
7 in her official capacity as treasurer
8

9 **I. INTRODUCTION**

10 This matter was generated by a Complaint filed with the Federal Election Commission
11 (the "Commission") by Brendan M. Fischer, Campaign Legal Center.¹ The Complaint alleges
12 that Ring Power Corporation ("Ring Power"), a federal government contractor, made a \$50,000
13 contribution to New Republican PAC and Julie Dozier in her official capacity as treasurer (the
14 "Committee"), an independent-expenditure-only political committee ("IEOPC"), in violation of
15 the Federal Election Campaign Act of 1971, as amended (the "Act").²

16 Ring Power acknowledges that it is a government contractor and that it made the
17 contribution. Ring Power asserts, however, that based on a representation from the Committee,
18 it understood that the contribution was legally permissible. Ring Power states that when it
19 learned its contribution was prohibited under the Act, it requested and received a refund for the
20 contribution.³

21 The available record indicates that Ring Power was a federal contractor at the time of its
22 contribution to the Committee. Accordingly, the Commission finds reason to believe that Ring
23 Power violated 52 U.S.C. § 30119(a)(1) by making a prohibited contribution to the Committee.

1 ¹ See 52 U.S.C. § 30109(a)(1).

2 ² Compl. at 1, 4 (Aug. 1, 2018).

3 ³ *Id.*

1 **II. FACTUAL BACKGROUND**

2 Ring Power is a private Florida corporation that sells and leases industrial machinery.⁴
3 Ring Power is also a federal government contractor, and has been the recipient of well over 300
4 contracts and grants since 2007.⁵ The Committee is an IEOPC that raised over \$34 million
5 during the 2018 election cycle, and made over \$31 million in expenditures that opposed and
6 supported federal candidates.⁶

7 The Complaint alleges that Ring Power violated the Act's prohibition on contributions
8 made to political committees from federal government contractors when it made a \$50,000
9 contribution to the Committee on April 23, 2018.⁷

10 Ring Power confirms that it was a federal government contractor at all relevant times, but
11 states that funds received for federal contracts were only a small portion of its revenue during the
12 time in question.⁸ Further, Ring Power maintains that at the time of the contribution, it was

⁴ Ring Power Corporation <https://www.ringpower.com/>. See also Florida Division of Corporations <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=RINGPOWER%202493800&aggregateId=domp-249380-ef0b76a4-50c9-4143-8130-e4be6e38acd7&searchTerm=ring%20power&listNameOrder=RINGPOWER%202493800>.

⁵ See [USASpending.gov](https://www.usaspending.gov), Recipient Search, Ring Power Corporation, <https://www.usaspending.gov/#/search/c6c7f35a50d7080d1ac923922b6e0f5e>.

⁶ See New Republican, *Statement of Organization*, FEC Form 1 (Apr. 5, 2018): The Committee website is no longer active. Portions of the website are available at <https://web.archive.org/web/20180430015504/https://newrepublican.org/>. The Committee has a Twitter account at https://twitter.com/nr_florida?lang=en, and a Facebook page at <https://www.facebook.com/newrepublican.org/>. See also New Republican PAC, FEC Financial Summary, reports of receipts and disbursements, <https://www.fec.gov/data/committee/C00544544/?tab=summary#total-raised>; and <https://www.fec.gov/data/committee/C00544544/?tab=spending>. The Committee made \$30 million in expenditures that opposed the re-election of Florida U.S. Senator Bill Nelson; almost \$1 million in expenditures that opposed the election of Katherine Porter, candidate for California's 45th Congressional District; and \$200 in expenditures that supported Florida Gov. Rick Scott.

⁷ Compl. at 4 (Aug. 1, 2018). See also New Republican PAC, *July Quarterly Report of Receipts and Disbursements* (Jul. 15, 2018) at 31, <http://docquery.fec.gov/pdf/860/201807159115526860/201807159115526860.pdf>.

⁸ Ring Power Resp. at 1 (Aug. 23, 2018).

1 unaware that it was prohibited by the Act, and states that it “understood from PAC
2 representatives that the contribution was legally permissible.”⁹ Ring Power asserts that it did not
3 make the contribution to secure additional government contracts, and states that when it learned
4 the contribution was prohibited under the Act, it requested and received a refund from the
5 Committee.¹⁰ Ring Power also states that it has taken steps to ensure that it makes no
6 contributions to any federal political campaign or committee while it performs federal contracts,
7 and requests pre-probable cause conciliation.¹¹

8 III. LEGAL ANALYSIS

9 A “contribution” is defined as “any gift . . . of money or anything of value made by any
10 person for the purpose of influencing any election for Federal office.”¹² Under the Act, a federal
11 contractor may not make contributions to political committees.¹³ Specifically, the Act prohibits
12 “any person . . . [w]ho enters into any contract with the United States . . . for the rendition of
13 personal services or furnishing any material, supplies, or equipment to the United States or any
14 department or agency thereof” from making a contribution “if payment for the performance of
15 such contract . . . is to be made in whole or in part from funds appropriated by the Congress.”¹⁴
16 These prohibitions begin to run at the beginning of negotiations or when proposal requests are
17 sent out, whichever occurs first, and end upon the completion of performance of the contract or

⁹ *Id.* at 1-2. Ring Power also confirms the timing of their government contract, stating that the work under its federal government contract that was pending at the time was invoiced on May 1, 2018, for \$22,452.32.

¹⁰ *Id.* at 1; Attach. (copy of contribution refund check).

¹¹ *Id.* at 2.

¹² 52 U.S.C. § 30101(8)(A)(i).

¹³ 52 U.S.C. § 30119(a); 11 C.F.R. § 115.2.

¹⁴ 52 U.S.C. § 30119(a)(1); *see also* 11 C.F.R. part 115.

1 the termination of negotiations, whichever occurs last.¹⁵ And these prohibitions apply to a
2 federal contractor who makes contributions to any political party, political committee, federal
3 candidate, or “any person for any political purpose or use.”¹⁶

4 Ring Power acknowledges that it was a federal contractor when it made its contribution
5 to the Committee, but argues that its contract for \$22,452.32 at the time of the contribution
6 represents only a small percentage of its total revenue.¹⁷ This fact, however, does not negate the
7 company’s status as a federal contractor under the Act, or obviate the violation. Similarly, Ring
8 Power’s remedial measures—obtaining a refund and other steps taken to ensure it would no
9 longer make prohibited contributions—do not excuse the violation.¹⁸ Accordingly, the
10 Commission finds reason to believe that Ring Power violated 52 U.S.C. § 30119(a)(1).

¹⁵ 52 U.S.C. § 30119 (a)(1); 11 C.F.R. § 115.1(b).

¹⁶ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2; *see also* MUR 7099 (Suffolk Construction Company) (Commission found reason to believe that federal government contractor made a contribution to an IEOPC).

¹⁷ Ring Power Resp. at 2; *see also supra* n. 6.

¹⁸ *See* New Republican PAC, October Quarterly Report of Receipts and Disbursements (Oct. 15, 2018) at 65, <http://docquery.fec.gov/pdf/860/201807159115526860/201807159115526860.pdf> (disbursement to Ring Power Corporation for “contribution refund”).